



2010 Vermont Child Care Market Rate Survey

 **VERMONT**
DEPARTMENT FOR CHILDREN AND FAMILIES
CHILD DEVELOPMENT DIVISION

The Vermont Market Rate Survey

A market rate survey measures the prices charged by providers and paid by parents in a child care market. In this survey, the “market” is Vermont. The price of care is the fee per child that child care providers usually charge for a week of child care services.

Definitions:

Licensed Programs – child care services that are typically provided outside of a home. This includes part-day and full-day programs, preschools, school-age care programs, public preschool, ski resort child care, Head Start and Early Head Start. The program must meet the appropriate Vermont Child Care Regulations, which include health and safety criteria.

Market Rate - the price of child care charged by child care providers to parents as reported by providers to the VT Child Development Division and collected in the Bright Futures Information System (BFIS).

Registered Programs - child care services are provided in the child care provider’s own home. The person that is registered is responsible for providing the majority of the care to the children enrolled in the program. The program must meet Vermont’s Registered Day Care Home regulations, which include health and safety criteria.

STARS – stands for the STEP Ahead Recognition System. It is Vermont’s system for recognizing and improving quality in regulated child care programs.

State Rate - the amount that is paid on behalf of a parent to a provider for child care services. In this survey, the rate published is at 100% of the income fee scale.

State Base Rate – this is the amount of the state rate that is paid to a child care provider who is not participating in the STARS program.

State 4 STAR Rate – this is the amount of the state rate that is paid to a child care provider who has achieved 4 STARS in the VT STARS program.

The Vermont Child Care Financial Assistance Program

The Vermont Department for Children and Families, Child Development Division is responsible for administration of the Vermont Child Care Financial Assistance Program. This program helps eligible families pay for child care services. Financial assistance for child care services allows families to look for work, sustain work, go to school or training and improve the stability of their family while supporting their children’s growth and development through participation in good quality early childhood and after school programs.

The Vermont Child Care Financial Assistance Program is funded in part by the federal Child Care and Development Fund (CCDF). Federal guidance from the Department of Health and Human Services recommends that states establish rates that allow assisted families access to at least 75% of the child care market. States are required to conduct a market rate survey every two years and reference state rates to the 75th percentile of market rates – that is an amount equal to or greater than the rate charged by 75% of all child care providers.

Child Care Provider Rate Increases in January 2010

In order to improve access to quality child care for Vermont assisted families, on January 3, 2010 the State of Vermont increased rates of reimbursement for regulated child care providers in the Child Care Financial Assistance Program. The average increase was about 20% for licensed programs and 17% for registered programs. The increase was across all rate categories with a slight increase in base rates and more significant increases in the rate for programs that have documented quality by participating in the STARS program.

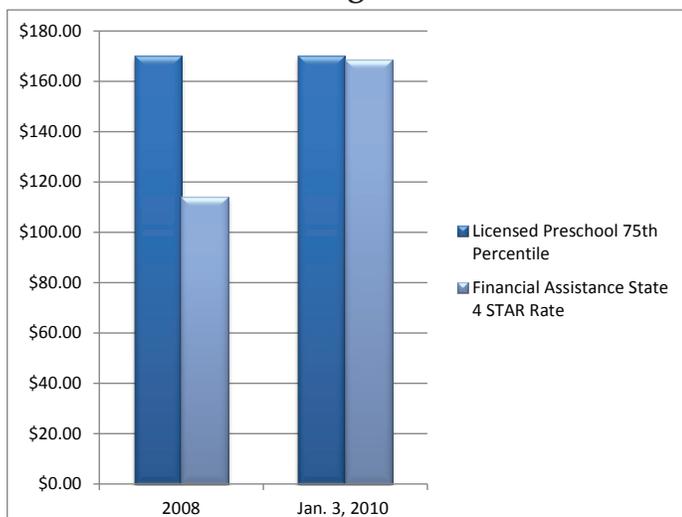
The rate increase provided payment at the 75th percentile rate as reported in the 2008 market rate survey, when a program is rated at 4 STARS (out of five).

Licensed Center - Example of 2010 Weekly Rate Increase for a Preschool Child at 100% Benefit						
	State Base Rate	1 Stars	2 Stars	3 Stars	State 4 STAR Rate	5 Stars
December 2009	\$114.14	\$118.71	\$123.29	\$127.84	\$134.37	\$136.97
January 2010	\$129.60	\$136.08	\$142.56	\$155.52	\$168.48	\$181.44

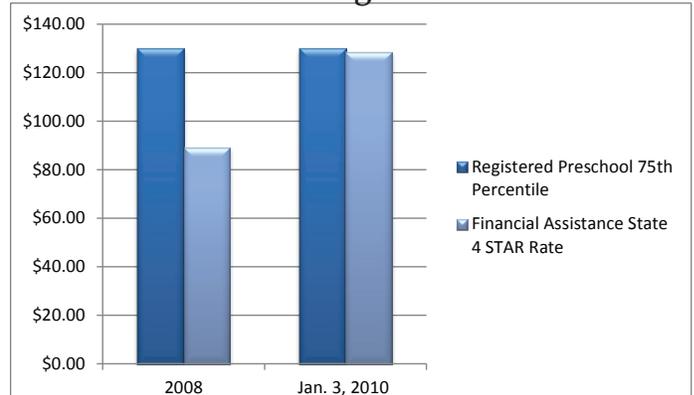
Registered Home - Example of 2010 Weekly Rate Increase for a Preschool Child at 100% Benefit						
	State Base Rate	1 Stars	2 Stars	3 Stars	State 4 STAR Rate	5 Stars
December 2009	\$89.30	\$92.87	\$96.44	\$100.02	\$104.93	\$107.16
January 2010	\$98.86	\$103.80	\$108.75	\$118.63	\$128.52	\$138.40

2010 Increase in Rate Differential (percent increase over the State Base Rate) for programs participating in STARS					
	1 Star	2 Stars	3 Stars	4 Stars	5 Stars
December 2009	4%	8%	12%	17.5%	20%
January 2010	5%	10%	20%	30%	40%

Licensed Child Care Rate Comparison
2008 75th percentile to 2008 State rate & 2008 75th percentual to Jan. 2010 Rate Increase for 4 Star Programs.



Registered Child Care Rate Comparison
2008 75th percentile to 2008 State rate & 2008 75th percentual to Jan. 2010 Rate Increase for 4 Star Programs.



2010 Market Rate Survey

The 2010 market rate survey was completed using information from October 2010. The survey indicates an overall increase of rates charged to families across provider types. Licensed program rates increased an average of 12% from 2008, while registered home programs increased an average of 7%.

Child Care Market Rates and State Child Care Financial Assistance Program Rates Vermont 2010

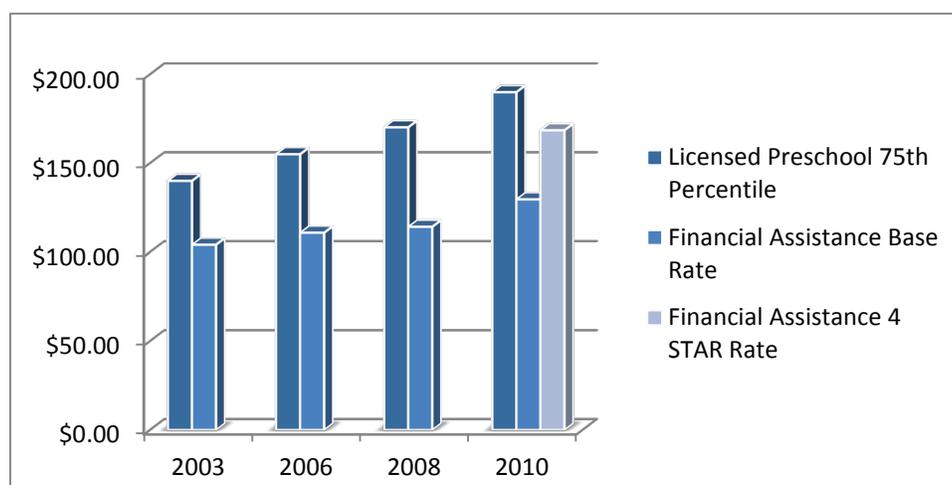
Ages	Licensed Centers				Registered Homes			
	Average Weekly Market Rates	Median (50th Percentile) Weekly Market Rates	75th Percentile Weekly Market Rates	State Payments Rates for 4 STAR Programs	Average Weekly Market Rates	Median (50th Percentile) Weekly Market Rates	75th Percentile Weekly Market Rates	State Payments Rates for 4 STAR Programs
Infants (<i>under 24 months</i>)	\$179.19	\$175.00	\$207.30	\$178.28	\$138.44	\$130.00	\$150.00	\$148.58
Toddler (<i>24 - 35 months</i>)	\$173.26	\$170.00	\$200.00	\$173.46	\$132.09	\$125.00	\$145.94	\$143.00
Preschool (<i>36 - 59 months</i>)	\$163.26	\$160.00	\$189.94	\$168.48	\$129.01	\$125.00	\$140.00	\$128.52
School Age (<i>5 - 13 yrs; 5 - 19 yrs for child with special needs</i>)	\$152.71	\$150.00	\$175.00	\$163.42	\$123.36	\$125.00	\$135.00	\$123.68
School Age <u>Part Time</u> (<i>5 - 13 yrs; 5 - 19 yrs for child with special needs</i>)	\$89.80	\$80.00	\$105.00	\$89.88	\$74.72	\$67.50	\$80.75	\$69.59

Regional Rate Comparison

AHS Region	Registered Home Preschool Rate		Licensed Center Preschool Rate	
	Median (Average)	75th Percentile	Median (Average)	75th Percentile
Barre	\$123.16	\$130.00	\$159.38	\$180.36
Bennington	\$134.18	\$140.00	\$154.20	\$180.00
Brattleboro	\$152.47	\$162.25	\$175.56	\$197.50
Burlington	\$142.25	\$155.00	\$186.55	\$195.00
Hartford	\$133.37	\$150.00	\$168.23	\$186.19
Middlebury	\$133.33	\$146.25	\$157.93	\$176.61
Morrisville	\$133.55	\$140.00	\$168.87	\$192.50
Newport	\$116.18	\$125.00	\$129.93	\$136.50
Rutland	\$128.97	\$138.75	\$134.99	\$150.00
St. Albans	\$119.37	\$125.00	\$159.31	\$185.00
St. Johnsbury	\$115.95	\$125.00	\$129.07	\$135.00
Springfield	\$127.73	\$130.00	\$148.64	\$167.81

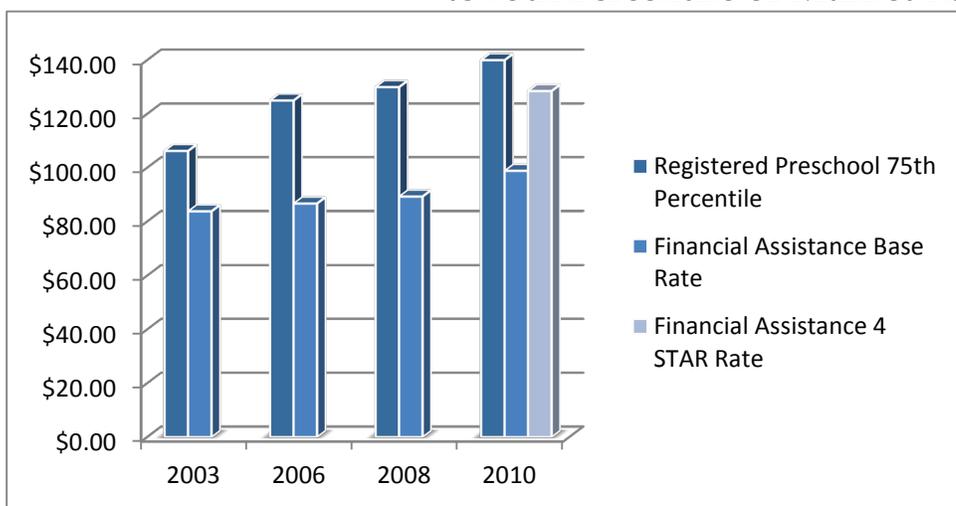
Licensed Child Care Center Comparison of State Rates to 75th Percentile of Market Rates

From 2003 to 2010 the market rates for a preschool age child in licensed child care center increased from \$140 per week to \$189.94 per week (35.7%); while the state financial assistance rate increased from \$104.05 to \$168.48¹ (61.9%)



¹ Full time weekly rate for a licensed center which has earned 4 stars in the VT STARS program.

Registered Child Care Home Comparison of State Rates to 75th Percentile of Market Rates



From 2003 to 2010 the market rates for a preschool age child in registered home care increased from \$106 to \$140 (32%); while the state financial assistance rate increased from \$83.80 to \$128.52¹ (53.4%)

¹ Full time weekly rate for a registered home which has earned 4 stars in the VT STARS program.

Notes on 2010 VT Child Care Market Rates and State Child Care Financial Assistance Payment Rates

Full Time and Part Time Weekly: Full time weekly child care (in licensed centers or registered homes) ranges from 26 to 50 hours; part time weekly child care ranges from 1 to 25 hours.

Age Groups: The four age categories for children receiving child care are: infants (under 24 months); toddlers (24 months to 35 months); preschool age children (36 months to 59 months); and school age children (5 to 13 years for typical developing children and 5 to 19 years for children with special needs.)

Average (Mean): An average (arithmetic mean) is calculated by adding a group of numbers and then dividing by the total count of those numbers.

Median: The median is the middle number of group of numbers. Half of the numbers have values greater than the median, and half of the numbers have values less than the median.

Percentiles: A percentile defines a relative standing in a group or array of data (e.g., child care market rates). For example, a market rate at the 75th percentile means that 75% of the market rates in a group fall below that rate.

For more information, contact: Reeva Murphy, Deputy Commissioner, Child Development Division, Department for Children and Families, Agency of Human of Human Services, 802-241-4690; <http://dcf.vermont.gov/cdd>